

Colorado Department of Public Health and Environment

OPERATING PERMIT

Encana Oil & Gas (USA) Inc. – Hunter Mesa Water Treatment Facility

Issued: September 1, 2009

AIR POLLUTION CONTROL DIVISION COLORADO OPERATING PERMIT

FACILITY NAME: Hunter Mesa Water OPERATING PERMIT NUMBER

Treatment Facility

FACILITY ID: 0450367

ISSUED: September 1, 2009 EXPIRATION DATE: September 1, 2014

MODIFICATIONS: See Appendix F of Permit

Issued in accordance with the provisions of Colorado Air Pollution Prevention and Control Act, 25-7-101 $\underline{e}\underline{t}$

seq. and applicable rules and regulations.

ISSUED TO: PLANT SITE LOCATION:

Encana Oil & Gas (USA) Inc.

370 17th Street, Suite 1700 SESE of Section 1, T7S, R93W

Denver, CO 80202 Garfield County

INFORMATION RELIED UPON

Operating Permit Renewal Application Received: November 17, 2003

And Additional Information Received: August 26, 2004, November 23, 2004

June 8, 2005, September 1, 2005, October 28, 2005 April 14, 2007, February 15, April 7, 28 & 29, 2008; March 12, 2009; March 27, 2009; April 2 & 13, 2009, February 10, 2011, September 6, 2011, September 19,

03OPGA267

2011, and March 9, 2012

Nature of Business: Produced Water Treatment Facility

Primary SIC: 1311

RESPONSIBLE OFFICIALS FACILITY CONTACT PERSON

Name: Jesse G. Wood Name: Ronald LePlatt

Title: Team Lead, Facilities & Const. Title: Air Quality Lead – Piceance

South Rockies Business Unit

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SUBMITTAL DEADLINES

Semi -Annual Monitoring Period: January 1 – June 30, July 1 – December 31

Semi -Annual Monitoring Report: August 1, 2009 and February 1, 2010 and subsequent years

Annual Compliance Period: January 1 – December 31

Annual Compliance Certification: February 1, 2009 and subsequent years

Note that the Semi-Annual Monitoring Reports and Annual Compliance Certifications must be received at the Division office by 5:00 p.m. on the due date. Postmarked dates will not be accepted for the purposes of determining the timely receipt of those reports/certifications.

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SECTION I - General Activities and Summary

1. Permitted Activities

1.1 This is a flowback and produced water treatment and recycling facility and is defined under Standard Industrial Classification 4952. The facility operates with a dissolved air flotation (DAF) unit to control VOC emissions from the produced water impoundments.

The facility is located in the SE ¼ of SE ¼ of Section 1, T7S, R93W in Garfield County. This facility is located in an area designated attainment for all pollutants.

There are no affected states within 50 miles of the plant. The following Federal Class I designated areas are within 100 kilometers of the plant: Black Canyon of the Gunnison National Park, West Elk Wilderness Area, Flattops Wilderness Area, Maroon Bells – Snowmass Wilderness Area, Colorado National Monument, and the Gunnison Gorge Recreation Area. Colorado National Monument and the Gunnison Gorge Recreation Area are not Federal Class I Areas, but have been designated by the State to have the same sulfur dioxide increment as a Federal Class I area.

- 1.2 Until such time as this permit expires or is modified or revoked, the permittee is allowed to discharge air pollutants from this facility in accordance with the requirements, limitations, and conditions of this permit.
- 1.3 The Operating Permit incorporates the applicable requirements contained in the underlying construction permits, and does not affect those applicable requirements, except as modified during review of the application or as modified subsequent to permit issuance using the modification procedures found in Regulation No. 3, Part C. These Part C procedures meet all applicable substantive New Source Review requirements of Part B. Any revisions made using the provisions of Regulation No. 3, Part C shall become new applicable requirements for purposes of this Operating Permit and shall survive reissuance. This permit incorporates the applicable requirements (except as noted in Section II) from the following construction permits: 03GA0378, 03GA0775, 04GA0709.
- All conditions in this permit are enforceable by US Environmental Protection Agency, Colorado Air Pollution Control Division (hereinafter Division) and its agents, and citizens unless otherwise specified. **State-only enforceable conditions are:** Permit Condition Number(s): Section IV Conditions 14, 18, 3.d & 3.g (last paragraph)
- 1.5 All information gathered pursuant to the requirements of this permit is subject to the Recordkeeping and Reporting requirements listed under Condition 22 of the General Conditions in Section IV of this permit. Either electronic or hard copy records are acceptable.

2. Alternative Operating Scenarios

2.1 The permittee shall be allowed to make the following changes to its method of operation without applying for a revision of this permit.

2.1.1 No separate operating scenarios have been specified.

2.3. Prevention of Significant Deterioration

2.13.1 This facility is located in an area designated attainment for all pollutants. Based on the information provided by the applicant, this facility is not categorized as a major stationary source (no single criteria pollutant emissions with a Potential to Emit of greater than 250 TPY) at the issuance date of this permit. The source therefore is not subject to the Prevention of Significant Deterioration (PSD) review requirements of 40 CFR 52.21 (Colorado Regulation 3, Part D, Section VI).

Future modifications to this facility, which are major by itself, will result in the application of the PSD review requirements. In addition, future modifications at this facility may result in the facility being classified as a major stationary source. Once that threshold is exceeded, future modifications at this facility resulting in a significant net emissions increase (see Reg. 3, Part D, Sections II.A.27 and 44) for any pollutant as listed in Regulation No. 3, Part D, Section II.A.44 or a modification which is major by itself may result in the application of the PSD review requirements.

2.23.2 There are no other Operating Permits associated with this facility for purposes of determining applicability of Prevention of Significant Deterioration regulations.

3.4. Accidental Release Prevention Program (112(r))

3.14.1 Based upon the information provided by the applicant, this facility is not subject to the provisions of the Accidental Release Prevention Program (Section 112(r) of the Federal Clean Air Act).

4.5. Compliance Assurance Monitoring (CAM)

4.15.1 The following emission points at this facility use a control device to achieve compliance with an emission limitation or standard to which they are subject and have pre-control emissions that exceed or are equivalent to the major source threshold. They are therefore subject to the provisions of the CAM program as set forth in 40 CFR Part 64, as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV:

S012 – Water Treatment and Recycling Facility

5.6. Summary of Emission Units

5.16.1 The emissions units regulated by this permit are the following:

AIRS Point Number	Facility Identifier	Description	Pollution Control Device
009	FG01	Fugitive emissions of VOCs from equipment leaks.	None
014	S012	Water treatment and recycling facility. Two Impoundments for DAF processed water.	Dissolved Air Flotation Unit
		Water treatment and recycling facility. One 200,000 bbl Impoundment for DAF processed water.	Dissolved Air Flotation Unit Floating Cover
015		Water treatment and recycling facility. Middle Impoundment for flowback water.	Floating Cover
011	TK05-TK06	Condensate storage tank battery: Two Natco 500 bbl	None

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SECTION II - Specific Permit Terms

1. S009 - Fugitive Emissions of VOCs from Equipment Leaks;

Parameter	Permit	Compliance Limits	Compliance		
	Condition Number		Emission Factor	Method	Interval
VOC	1.1	8.8 tons per year	By Component- EPA Protocol for Equipment Leak Estimates	Initial Component Count, Recordkeeping, and Emission Calculations	See Condition 1.1.1
Gas Analysis				EPA/Division Approved Methods	Annually

1.1 VOC emissions shall not exceed the limitations stated. Emissions shall be calculated using the emission factors and equations listed below. The records shall be kept at the site or a local field office and made available for Division review upon request.

Emission Factors for individual types of components in lbs/component-hr from the reference *Protocol for Equipment Leak Emission Estimates, EPA, November 1995, EPA-453/R-95-017*. These emission factors are fixed until changed by established permit modification procedures.

Component	Emission Factors (lb/component-hr)					
	Light Liquid	Light Oil/Water	Heavy Liquid			
Valves	5.51×10^{-3}	2.16×10^{-4}	1.85×10^{-5}			
Connectors	4.63×10^{-4}	2.43×10^{-4}	1.65×10^{-5}			
Flanges	2.43×10^{-4}	6.39×10^{-6}	8.60×10^{-7}			
Pump Seals	2.87×10^{-2}	5.29×10^{-5}				
Open-Ended Lines	3.09×10^{-3}		3.09×10^{-4}			
Other*	1.65×10^{-2}	3.09×10^{-2}				

^{*}Other equipment type includes compressors, pressure relief valves, relief valves, diaphragms, drains, dump arms, hatches, instrument meters, polish rods, and vents.

Calculation of annual emissions of VOC per component:

(Component count) X (8760 hrs/year) X (Emission factor for component being evaluated) X (Control Factor)

The total fugitive VOC emissions shall be the sum of emissions for each component

1.1.1 The annual emissions limitations in Condition 1.1 are based on the equipment configuration as listed in the table below. A component count shall be conducted within one year of issuance of this permit to verify existing hardware inventory. Records shall

be kept of all component additions and deletions, and a running tally maintained. A physical hard-count of facility components shall be conducted every five years following the initial count required under this condition.

Component		Component Count					
	Light Liquids	Light Liquids Light Oil/Water F					
Valves	72	258	21				
Connectors	211	914	103				
Flanges	6	163	6				
Pump Seals	3	10					
Open-Ended Lines	1		1				
Other*	2	25					

2. S012 - Water Treatment and Recycling Facility – Three DAF Impoundments and One Flowback Impoundment;

Parameter	Permit	Limitations	Compliance	Monitoring	
	Condition Number		Emission Factor	Method	Interval
VOC Emissions – DAF Impoundments	2.1	207.3 tons/yr	See Condition 2.1 0.5475 lb/1000 bbl	Calculation	Monthly
VOC Emissions – Flowback Impoundment		2.0 tons/yr	0.73 lb/1000 bbl		
Inflow to Impoundment – DAF Impoundments	2.2	7,300,000 bbl/yr		Recordkeeping	Monthly
Inflow to Impoundment – Flowback Impoundment		5,475,000 bbl/yr			
Constituent Concentration	2.3	See Condition 2.3		Analytical sampling methods	Monthly Average
RACT Requirements	2.4	See Condition 2.4		See Condition	n 2.4
Compliance Assurance Monitoring	2.5			See Condition	n 2.5
Cover Requirements	2.6			See Condition	n 2.6
Pond Construction Requirements	2.7			See Condition	n 2.7

2.1 Emissions of air pollutants shall not exceed the limitations stated above (Construction Permit 04GA0709 as modified under the provisions of Section II, Condition 1.3). For the uncovered DAF impoundments, VOC and HAP emissions shall be calculated monthly using the Division-approved AP-42 equation suite for non-aerated, non-oily, non-biomass surface impoundments and sampling results, as required by Condition 2.3. VOC and HAP emissions from the covered DAF impoundment and flowback impoundment shall be calculated monthly using the compliance emission factor listed in the table above (developed using EPA Tanks modeling the cover as a floating roof) in the following equation:

Compliance with the annual limits shall be determined on a rolling 12-month total. By the end of each month a new twelve month total is calculated based on the previous twelve months data. Monthly records of the actual emissions shall be maintained by the applicant and made available

2.2 Inflow to impoundments shall not exceed the limitations stated above (Construction Permit 04GA0709 as modified under the provisions of Section II, Condition 1.3). The volume of inflow to impoundments shall be monitored and recorded on a monthly basis and used to calculate emissions as required by Condition 2.1.

to the Division for inspection upon request.

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Monthly volume of inflow to impoundments will be maintained in a twelve month rolling total to monitor compliance with the annual throughput limitations.

The inlet flow rates to the impoundment(s) shall be continuously monitored using flowmeters. Any water that is not directed through the normal process flow, for example water that is trucked in, shall be introduced upstream of the flowmeter(s).

- 2.3 The impoundment inlets shall be sampled monthly, using the appropriate ASTM methodology, to determine concentrations of the following constituents: benzene, toluene, ethylbenzene, m-, p-& o- xylenes, methanol and TPH (GRO+DRO). Impoundment inlet samples shall be collected and analyzed to determine the above constituent concentrations at least once per calendar month. Samples shall be taken no less than at least ten (10) days apart. All sample sets pulled during the month must be averaged in order to calculate monthly emissions as required by Condition 2.1. Records of sampling results shall be kept and made available to the Division for inspection upon request.
- 2.4 This source is subject to the Reasonably Available Control Technology (RACT) requirements of Regulation No. 7, Section V. RACT for this unit has been determined to be a Dissolved Air Flotation Unit. Produced water shall be routed to the DAF unit prior to entering the three DAF treated water impoundments. The DAF unit shall be sealed to prevent the escape of emissions. RACT for the flowback impoundment has been determined to be a cover, as required in Condition 2.6.
- 2.5 This source shall follow the Compliance Assurance Monitoring (CAM) requirements as outlined in Section II, Condition 4 of this permit.
- 2.6 The Flowback Impoundment and third 200,000 bbl DAF Impoundment shall be equipped with a floating membrane cover designed to meet the following specifications:
 - 2.6.1 The floating membrane cover shall be designed to float on the liquid surface during normal operations, and form a continuous barrier over the entire surface area of the liquid.
 - 2.6.2 The cover shall be fabricated from a synthetic membrane material that is either:
 - 2.6.2.1 High density polyethylene (HDPE) with a thickness no less than 2.5 millimeters (mm); or
 - 2.6.2.2 A material or a composite of different materials determined to have both organic permeability properties that are equivalent to those of the material listed above; and chemical and physical properties that maintain the material integrity for the intended service life of the material. The use of alternative materials shall be subject to Division approval.
 - 2.6.3 The cover shall be installed in a manner such that there are no visible cracks, holes, gaps, or other open spaces between cover section seams or between the interface of the cover edge and its foundation mountings. The width of any portion of any gap around pipeline

sleeves, such as pipeline sleeves for the wastewater discharge lines, shall not exceed 0.5 inches.

- 2.6.4 Each opening in the floating membrane cover shall be equipped with a closure device designed to operate such that when the closure device is secured in the closed position there are no visible cracks, holes, gaps, or other open spaces in the closure device or between the perimeter of the cover opening and the closure device.
- 2.6.5 The floating membrane cover may be equipped with one or more emergency cover drains for removal of stormwater. Each emergency cover drain shall be equipped with a slotted membrane fabric cover that covers at least 90 percent of the area of the opening or a flexible fabric sleeve seal. Alternatively, the source may use surface lines to remove stormwater provided that the surface lines do not penetrate the cover.
- 2.6.6 The cover and its closure devices shall be made of suitable materials that will minimize exposure of the wastewater to the atmosphere, to the extent practical, and will maintain the integrity of the equipment throughout its intended service life. Factors to be considered when selecting the materials for and designing the cover and closure devices shall include: organic vapor permeability; the effects of any contact with the liquid or its vapors managed in the surface impoundment; the effects of outdoor exposure to wind, moisture, and sunlight; and the operating practices used for the surface impoundment on which the cover is installed.
- 2.6.7 Whenever wastewater is in the Middle Impoundment, the floating membrane cover shall float on the liquid and each closure device shall be secured in the closed position except as follows:
 - 2.6.7.1 Opening of closure devices or removal of the cover is allowed at the following times:
 - a. To provide access to the surface impoundment for performing routine inspection, maintenance, or other activities needed for normal operations. Examples of such activities include those times when a worker needs to open a port to sample the liquid in the surface impoundment, or when a worker needs to open a hatch to maintain or repair equipment. Following completion of the activity, the owner or operator shall promptly replace the cover and secure the closure device in the closed position, as applicable.
 - b. To remove accumulated sludge or other residues from the bottom of surface impoundment
 - 2.6.7.2 Opening of a spring-loaded or manual pressure-vacuum relief valve, conservation vent, or similar type of pressure relief device which vents to the atmosphere is allowed during normal operations for the purpose of maintaining the pressure in the vapor headspace underneath the cover in accordance with the cover design specifications. The device shall be designed to operate with no detectable organic

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emissions when the device is secured in the closed position. The settings at which the device opens shall be established such that the device remains in the closed position whenever the cover vapor headspace pressure is within the pressure operating range determined by the owner or operator based on the cover manufacturer recommendations, applicable regulations, fire protection and prevention codes, standard engineering codes and practices, or other requirements for the safe handling of flammable, ignitable, explosive, reactive, or hazardous materials.

Records of such occurrences shall be maintained and made available for Division review upon request.

- 2.6.7.3 Opening of a safety device is allowed at any time conditions require it to do so to avoid an unsafe condition.
- 2.6.8 The source shall visually inspect the pond cover in accordance with the following requirements:
 - 2.6.8.1 The floating membrane cover and its closure devices shall be visually inspected by the owner or operator to check for defects that could result in air emissions. Defects include, but are not limited to, visible cracks, holes, or gaps in the cover section seams or between the interface of the cover edge and its foundation mountings; broken, cracked, or otherwise damaged seals or gaskets on closure devices; and broken or missing hatches, access covers, caps, or other closure devices.
 - 2.6.8.2 The source must perform an initial inspection following installation of the floating membrane cover. Thereafter, the owner or operator must perform the inspections at least once per calendar year.
 - 2.6.8.3 In the event that a defect is detected, the owner or operator shall repair the defect in accordance with the requirements listed in this permit.
 - 2.6.8.4 The source shall maintain a record of the inspection in accordance with the requirements listed in this permit.
- 2.6.9 The source shall repair all detected defects as follows:
 - 2.6.9.1 The source shall make first efforts at repair of the defect no later than 5 calendar days after detection and repair shall be completed as soon as possible but no later than 45 calendar days after detection except as discussed below.
 - 2.6.9.2 When repair of a defect requires emptying or temporary removal from service of the Middle surface impoundment and no tank capacity is available at the site to accept the wastewater normally managed in the Middle surface impoundment, flowback water may be temporarily held in the South impoundment for the duration of the repair.
 - 2.6.9.3 The source shall record for each defect detected during inspections the following information: the location of the defect, a description of the defect, the date of

detection, and corrective action taken to repair the defect. In the event that repair of the defect is delayed in accordance with the requirements discussed above, the owner or operator shall also record the reason for the delay and the date that completion of repair of the defect is expected.

- 2.6.10 The source shall prepare and maintain the following records:
 - 2.6.10.1 Documentation describing the floating membrane cover or cover design, as applicable to the surface impoundment.
 - 2.6.10.2 A record for each inspection required by this permit that includes the following information: a surface impoundment identification number (or other unique identification description as selected by the owner or operator) and the date of inspection.
- 2.7 The following requirements apply to the construction of the third DAF processed water impoundment.
 - 2.7.1 The source must submit a Notice of Startup (NOS) form to the Division by no later than fifteen (15) days after the commencement of the operation of this impoundment. The NOS form may be downloaded online at www.cdphe.state.co.us/ap/downloadforms.html. (Colorado Regulation No. 3, Part B, Section III.G.1)
 - 2.7.2 The permit to construct this impoundment shall expire if the facility: (i) does not commence construction or operation of this source within 18 months after either, the date of issuance of this permit [May 4, 2012] or the date on which such construction or activity was scheduled to commence as set forth in the permit application associated with this permit; (ii) discontinues construction for a period of eighteen months or more; (iii) does not complete construction within a reasonable time of the estimated completion date. The Division may grant extensions of the deadline per Colorado Regulation No. 3, Part B, III.F.4.b. (Colorado Regulation No. 3, Part B, Section III.F.4.)

3. S011 - Two 500 bbl Condensate Tanks;

Parameter	Permit	Limitations		111 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		Compliance	Monitoring	
	Condition Number	Short Term	Long Term	Emission Factor	Method In	nterval		
VOC Emissions	3.1		4.0 ton/yr	0.274 lb/bbl	Recordkeeping and calculation 12 month rolling total	Monthly		
Condensate Throughput	3.2		29,200.0 bbls/yr		Recordkeeping	Monthly		
Opacity	3.3 3.4		ed 20% except as n condition 6.4		Annually	Annual		

3.1 VOC emissions from the tank battery shall not exceed the above limitations (Construction Permit 03GA0775, as modified under the provisions of Section I, Condition 1.3). The VOC emissions shall be calculated by the end of each subsequent month. Monthly emissions shall be calculated using monthly condensate production rates and the emission factor provided above. Monthly emissions shall be used in a rolling twelve (12) month total to monitor compliance with the annual limitation. Each month a new twelve month total shall be calculated using the previous twelve months' data using the following equation:

_ ______

All calculations and compliance determinations shall be made available for Division review upon request.

- 3.2 The quantity of condensate processed through the tank battery shall not exceed the above limitations (Construction Permit 03GA0775, as modified under the provisions of Section I, Condition 1.3). The quantity of condensate processed through the tank battery shall be monitored and recorded monthly and used to calculate emissions as required by Condition 3.1. The monthly quantity of condensate processed shall be used in a twelve month rolling total to monitor compliance with the annual limitation. Each month a new twelve month total shall be calculated using the previous twelve months' data.
- 3.3 Except as provided in Condition 3.4 below, no owner or operator of a source shall allow or cause the emission into the atmosphere of any air pollutant which is in excess of 20% opacity. (Colorado Regulation No. 1, II.A.1).
- 3.4 No owner or operator of a source shall allow or cause to be emitted into the atmosphere any air pollutant resulting from the building of a new fire, cleaning of fire boxes, soot blowing, start-up, any process modification, or adjustment or occasional cleaning of control equipment, which is in

excess of 30% opacity for a period or periods aggregating more than six (6) minutes in any sixty (60) consecutive minutes (Colorado Regulation No. 1, Section II.A.4).

A record shall be kept of the type, date and time of the commencement and completion of each and every condition subject to Regulation No. 1, Section II.A.4 that results in an exceedance. The records shall be made available for review upon request by the Division.

4. **Compliance Assurance Monitoring**

- 4.1 The Compliance Assurance Monitoring (CAM) requirements in 40 CFR Part 64, as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV, apply to the Water Treatment and Recycling Facility with respect to the VOC limitations identified in Condition 2.1 as follows:
 - The permittee shall follow the CAM Plan provided in Appendix G of this permit. Excursions, for purposes of reporting, are any time in the pressure indicator/monitor system that indicates the pressure is lower than 80 psi or greater than 150 psi. Excursions shall be reported as required by Section IV, Conditions 21 and 22.d of this permit.
 - Operation of Approved Monitoring 4.1.2
 - 4.1.2.1 At all times, the owner or operator shall maintain the monitoring, including but not limited to, maintaining necessary parts for routine repairs of the monitoring equipment (40 CFR Part 64 § 64.7(b), as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV).
 - 4.1.2.2 Except for, as applicable, monitoring malfunctions, associated repairs, and required quality assurance or control activities (including, as applicable, calibration checks and required zero and span adjustments), the owner or operator shall conduct all monitoring in continuous operation (or shall collect data at all required intervals) at all times that the pollutant-specific emissions unit is operating. Data recorded during monitoring malfunctions, associated repairs, and required quality assurance or control activities shall not be used for purposes of these CAM requirements, including data averages and calculations, or fulfilling a minimum data availability requirement, if applicable. The owner or operator shall use all the data collected during all other periods in assessing the operation of the control device and associated control system. A monitoring malfunction is any sudden, infrequent, not reasonably preventable failure of the monitoring to provide valid data. Monitoring failures that are caused in part by poor maintenance or careless operation are not malfunctions (40 CFR Part 64 § 64.7(c), as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV).

4.1.2.3 Response to excursions or exceedances

Upon detecting an excursion or exceedance, the owner or operator shall a. restore operation of the pollutant-specific emissions unit (including the control device and associated capture system) to its normal or usual manner of operation as expeditiously as practicable in accordance with

good air pollution control practices for minimizing emissions. The response shall include minimizing the period of any startup, shutdown or malfunction and taking any necessary corrective actions to restore normal operation and prevent the likely recurrence of the cause of an excursion or exceedance (other than those caused by excused startup or shutdown conditions). Such actions may include initial inspection and evaluation, recording that operations returned to normal without operator action (such as through response by a computerized distribution control system), or any necessary follow-up actions to return operation to within the indicator range, designated condition, or below the applicable emission limitation or standard, as applicable (40 CFR Part 64 § 64.7(d)(1), as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV).

- b. Determination of whether the owner of operator has used acceptable procedures in response to an excursion or exceedance will be based on information available, which may include but is not limited to, monitoring results, review of operation and maintenance procedures and records, and inspection of the control device, associated capture system, and the process (40 CFR Part 64 § 64.7(d)(2), as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV).
- 4.1.2.4 After approval of the monitoring required under the CAM requirements, if the owner or operator identifies a failure to achieve compliance with an emission limitation or standard for which the approved monitoring did not provide an indication of an excursion or exceedance while providing valid data, or the results of compliance or performance testing document a need to modify the existing indicator ranges or designated conditions, the owner or operator shall promptly notify the Division and, if necessary submit a proposed modification for this permit to address the necessary monitoring changes. Such a modification may include, but is not limited to, reestablishing indicator ranges or designated conditions, modifying the frequency of conducting monitoring and collecting data, or the monitoring of additional parameters (40 CFR Part 64 § 64.7(e), as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV).
- 4.1.3 Quality Improvement Plan (QIP) Requirements
 - 4.1.3.1 Based on the results of a determination made under the provisions of Condition 4.1.2.3b, the Division may required the owner or operator to develop and implement a QIP (40 CFR Part 64 § 64.8(a), as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV).
 - 4.1.3.2 The owner or operator shall maintain a written QIP, if required, and have it available for inspection (40 CFR Part 64 § 64.8(b)(1), as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV).
 - 4.1.3.3 The QIP initially shall include procedures for evaluating the control performance problems and, based on the results of the evaluation procedures, the owner or

operator shall modify the plan to include procedures for conducting one or more of the following actions, as appropriate:

- a. Improved preventative maintenance practices (40 CFR Part 64 § 64.8(b)(2)(i), as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV).
- b. Process operation changes (40 CFR Part 64 § 64.8(b)(2)(ii), as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV).
- c. Appropriate improvements to control methods (40 CFR Part 64 § 64.8(b)(2)(iii), as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV).
- d. Other steps appropriate to correct control performance (40 CFR Part 64 § 64.8(b)(2)(iv), as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV).
- e. More frequent or improved monitoring (only in conjunction with one or more steps under Conditions 4.1.3.3.a through d above) (40 CFR Part 64 § 64.8(b)(2)(v), as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV).
- 4.1.3.4 If a QIP is required, the owner or operator shall develop and implement a QIP as expeditiously as practicable and shall notify the Division if the period for completing the improvements contained in the QIP exceeds 180 days from the date on which the need to implement the QIP was determined (40 CFR Part 64 § 64.8(c), as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV).
- 4.1.3.5 Following implementation of a QIP, upon any subsequent determination pursuant to Condition 4.1.2.3b, the Division or the U.S. EPA may require that an owner or operator make reasonable changes to the QIP if the QIP is found to have:
 - a. Failed to address the cause of the control device performance problems (40 CFR Part 64 § 64.8(d)(1), as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV); or
 - b. Failed to provide adequate procedures for correcting control device performance problems as expeditiously as practicable in accordance with good air pollution control practices for minimizing emissions (40 CFR Part 64 § 64.8(d)(2), as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV).
- 4.1.3.6 Implementation of a QIP shall not excuse the owner or operator of a source from compliance with any existing emission limitation or standard, or any existing monitoring, testing, reporting or recordkeeping requirement that may apply under federal, state, or local law, or any other applicable requirements under the federal clean air act (40 CFR Part 64 § 64.8(e), as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV).

4.1.4 Reporting and Recordkeeping Requirements

- 4.1.4.1 <u>Reporting Requirements:</u> The reports required by Section IV, Condition 22.d, shall contain the information specified in Appendix B of the permit and the following information, as applicable:
 - a. Summary information on the number, duration and cause (including unknown cause, if applicable), for monitor downtime incidents (other than downtime associated with zero and span or other daily calibration checks, if applicable) ((40 CFR Part 64 § 64.9(a)(2)(ii), as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV); and
 - b. The owner or operator shall submit, if necessary, a description of the actions taken to implement a QIP during the reporting period as specified in Condition 4.1.3 of this permit. Upon completion of a QIP, the owner or operator shall include in the next summary report documentation that the implementation of the plan has been completed and reduced the likelihood of similar levels of excursions or exceedances occurring (40 CFR Part 64 § 64.9(a)(2)(iii), as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV).
- 4.1.4.2 <u>General Recordkeeping Requirements</u>: In addition to the recordkeeping requirements in Section IV, Condition 22.a through c.
 - a. The owner or operator shall maintain records of any written QIP required pursuant to Condition 4.1.3 and any activities undertaken to implement a QIP, and any supporting information required to be maintained under these CAM requirements (such as data used to document the adequacy of monitoring, or records of monitoring maintenance or corrective actions) (40 CFR Part 64 § 64.9(b)(1), as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV).
 - b. Instead of paper records, the owner or operator may maintain records on alternative media, such as microfilm, computer files, magnetic tape disks, or microfiche, provided that the use of such alternative media allows for expeditious inspection and review, and does not conflict with other applicable recordkeeping requirements (40 CFR Part 64 § 64.9(b)(2), as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV).

4.1.5 Savings Provisions

4.1.5.1 Nothing in these CAM requirements shall excuse the owner or operator of a source from compliance with any existing emission limitation or standard, or any existing monitoring, testing, reporting or recordkeeping requirement that may apply under federal, state, or local law, or any other applicable requirements under the federal clean air act. These CAM requirements shall not be used to justify the approval of monitoring less stringent than the monitoring which is required under separate legal authority and are not intended to establish minimum

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requirements for the purposes of determining the monitoring to be imposed under separate authority under the federal clean air act, including monitoring in permits issued pursuant to title I of the federal clean air act. The purpose of the CAM requirements is to require, as part of the issuance of this Title V operating permit, improved or new monitoring at those emissions units where monitoring requirements do not exist or are inadequate to meet the requirements of CAM (40 CFR Part 64 § 64.10(a)(1), as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV).

- 4.1.5.2 Nothing in these CAM requirements shall restrict or abrogate the authority of the U.S. EPA or the Division to impose additional or more stringent monitoring, recordkeeping, testing or reporting requirements on any owner or operator of a source under any provision of the federal clean air act, including but not limited to sections 114(a)(1) and 504(b), or state law, as applicable (40 CFR Part 64 § 64.10(a)(2), as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV).
- 4.1.5.3 Nothing in these CAM requirements shall restrict or abrogate the authority of the U.S. EPA or the Division to take any enforcement action under the federal clean air act for any violation of an applicable requirement or of any person to take action under section 304 of the federal clean air act (40 CFR Part 64 § 64.10(a)(2), as adopted by reference in Colorado Regulation No. 3, Part C, Section XIV).

SECTION III - Permit Shield

Regulation No. 3, 5 CCR 1001-5, Part C, §§ I.A.4, V.D. & XIII.B; § 25-7-114.4(3)(a), C.R.S.

1. Specific Non-Applicable Requirements

Based on the information available to the Division and supplied by the applicant, the following parameters and requirements have been specifically identified as non-applicable to the facility to which this permit has been issued. This shield does not protect the source from any violations that occurred prior to or at the time of permit issuance. In addition, this shield does not protect the source from any violations that occur as a result of any modifications or reconstruction on which construction commenced prior to permit issuance.

Emission unit	Applicable Requirement	Justification
Facility	40 CFR 60, Subpart KKK, Standards of	There is not existing natural gas liquid extraction unit
	Performance for Equipment Leaks of VOC	located at the Hunter Mesa Water Treatment Facility
	From Onshore Natural Gas Processing Plants	
	(Colorado Regulation No. 6, Part A, Subpart	
	KKK)	

2. General Conditions

Compliance with this Operating Permit shall be deemed compliance with all applicable requirements specifically identified in the permit and other requirements specifically identified in the permit as not applicable to the source. This permit shield shall not alter or affect the following:

- 2.1 The provisions of §§ 25-7-112 and 25-7-113, C.R.S., or § 303 of the federal act, concerning enforcement in cases of emergency;
- 2.2 The liability of an owner or operator of a source for any violation of applicable requirements prior to or at the time of permit issuance;
- 2.3 The applicable requirements of the federal Acid Rain Program, consistent with § 408(a) of the federal act;
- 2.4 The ability of the Air Pollution Control Division to obtain information from a source pursuant to § 25-7-111(2)(I), C.R.S., or the ability of the Administrator to obtain information pursuant to § 114 of the federal act;
- 2.5 The ability of the Air Pollution Control Division to reopen the Operating Permit for cause pursuant to Regulation No. 3, Part C, § XIII.
- 2.6 Sources are not shielded from terms and conditions that become applicable to the source subsequent to permit issuance.

3. Stream-lined Conditions

The following applicable requirements have been subsumed within this operating permit using the pertinent streamlining procedures approved by the U.S. EPA. For purposes of the permit shield, compliance with the listed permit conditions will also serve as a compliance demonstration for purposes of the associated subsumed requirements.

No applicable requirements were streamlined out of this permit.

Issued: September 1, 2009

SECTION IV - General Permit Conditions (ver 11/16/2010)

1. **Administrative Changes**

Regulation No. 3, 5 CCR 1001-5, Part A, § III.

The permittee shall submit an application for an administrative permit amendment to the Division for those permit changes that are described in Regulation No. 3, Part A, § I.B.1. The permittee may immediately make the change upon submission of the application to the Division.

2. **Certification Requirements**

Regulation No. 3, 5 CCR 1001-5, Part C, §§ III.B.9., V.C.16.a.& e. and V.C.17.

- Any application, report, document and compliance certification submitted to the Air Pollution Control Division pursuant to Regulation No. 3 or the Operating Permit shall contain a certification by a responsible official of the truth, accuracy and completeness of such form, report or certification stating that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate and complete.
- All compliance certifications for terms and conditions in the Operating Permit shall be submitted to the Air Pollution b. Control Division at least annually unless a more frequent period is specified in the applicable requirement or by the Division in the Operating Permit.
- Compliance certifications shall contain: C.
 - (i) the identification of each permit term and condition that is the basis of the certification;
 - (ii) the compliance status of the source;
 - whether compliance was continuous or intermittent; (iii)
 - method(s) used for determining the compliance status of the source, currently and over the reporting (iv) period; and
 - (v) such other facts as the Air Pollution Control Division may require to determine the compliance status of the source.
- All compliance certifications shall be submitted to the Air Pollution Control Division and to the Environmental d. Protection Agency at the addresses listed in Appendix D of this Permit.
- If the permittee is required to develop and register a risk management plan pursuant to § 112(r) of the federal act, the e. permittee shall certify its compliance with that requirement; the Operating Permit shall not incorporate the contents of the risk management plan as a permit term or condition.

3. **Common Provisions**

Common Provisions Regulation, 5 CCR 1001-2 §§ II.A., II.B., II.C., II.E., II.F., II.I, and II.J

a. To Control Emissions Leaving Colorado

> When emissions generated from sources in Colorado cross the State boundary line, such emissions shall not cause the air quality standards of the receiving State to be exceeded, provided reciprocal action is taken by the receiving State.

b. Emission Monitoring Requirements

The Division may require owners or operators of stationary air pollution sources to install, maintain, and use instrumentation to monitor and record emission data as a basis for periodic reports to the Division.

c. Performance Testing

The owner or operator of any air pollution source shall, upon request of the Division, conduct performance test(s) and furnish the Division a written report of the results of such test(s) in order to determine compliance with applicable emission control regulations.

Performance test(s) shall be conducted and the data reduced in accordance with the applicable reference test methods unless the Division:

- (i) specifies or approves, in specific cases, the use of a test method with minor changes in methodology;
- (ii) approves the use of an equivalent method;
- (iii) approves the use of an alternative method the results of which the Division has determined to be adequate for indicating where a specific source is in compliance; or
- (iv) waives the requirement for performance test(s) because the owner or operator of a source has demonstrated by other means to the Division's satisfaction that the affected facility is in compliance with the standard. Nothing in this paragraph shall be construed to abrogate the Commission's or Division's authority to require testing under the Colorado Revised Statutes, Title 25, Article 7, and pursuant to regulations promulgated by the Commission.

Compliance test(s) shall be conducted under such conditions as the Division shall specify to the plant operator based on representative performance of the affected facility. The owner or operator shall make available to the Division such records as may be necessary to determine the conditions of the performance test(s). Operations during period of startup, shutdown, and malfunction shall not constitute representative conditions of performance test(s) unless otherwise specified in the applicable standard.

The owner or operator of an affected facility shall provide the Division thirty days prior notice of the performance test to afford the Division the opportunity to have an observer present. The Division may waive the thirty day notice requirement provided that arrangements satisfactory to the Division are made for earlier testing.

The owner or operator of an affected facility shall provide, or cause to be provided, performance testing facilities as follows:

- (i) Sampling ports adequate for test methods applicable to such facility;
- (ii) Safe sampling platform(s);
- (iii) Safe access to sampling platform(s); and
- (iv) Utilities for sampling and testing equipment.

Each performance test shall consist of at least three separate runs using the applicable test method. Each run shall be conducted for the time and under the conditions specified in the applicable standard. For the purpose of determining compliance with an applicable standard, the arithmetic mean of results of at least three runs shall apply. In the event that a sample is accidentally lost or conditions occur in which one of the runs must be discontinued because of forced shutdown, failure of an irreplaceable portion of the sample train, extreme meteorological conditions, or other circumstances beyond the owner or operator's control, compliance may, upon the Division's approval, be determined using the arithmetic mean of the results of the two other runs.

Nothing in this section shall abrogate the Division's authority to conduct its own performance test(s) if so warranted.

d. Affirmative Defense Provision for Excess Emissions during Malfunctions

Note that until such time as the U.S. EPA approves this provision into the Colorado State Implementation Plan (SIP), it shall be enforceable only by the State.

An affirmative defense to a claim of violation under these regulations is provided to owners and operators for civil penalty actions for excess emissions during periods of malfunction. To establish the affirmative defense and to be relieved of a civil penalty in any action to enforce an applicable requirement, the owner or operator of the facility must meet the notification requirements below in a timely manner and prove by a preponderance of evidence that:

- (i) The excess emissions were caused by a sudden, unavoidable breakdown of equipment, or a sudden, unavoidable failure of a process to operate in the normal or usual manner, beyond the reasonable control of the owner or operator;
- (ii) The excess emissions did not stem from any activity or event that could have reasonably been foreseen and avoided, or planned for, and could not have been avoided by better operation and maintenance practices;
- (iii) Repairs were made as expeditiously as possible when the applicable emission limitations were being exceeded;
- (iv) The amount and duration of the excess emissions (including any bypass) were minimized to the maximum extent practicable during periods of such emissions;
- (v) All reasonably possible steps were taken to minimize the impact of the excess emissions on ambient air quality;
- (vi) All emissions monitoring systems were kept in operation (if at all possible);
- (vii) The owner or operator's actions during the period of excess emissions were documented by properly signed, contemporaneous operating logs or other relevant evidence;
- (viii) The excess emissions were not part of a recurring pattern indicative of inadequate design, operation, or maintenance;
- (ix) At all times, the facility was operated in a manner consistent with good practices for minimizing emissions. This section is intended solely to be a factor in determining whether an affirmative defense is available to an owner or operator, and shall not constitute an additional applicable requirement; and
- (x) During the period of excess emissions, there were no exceedances of the relevant ambient air quality standards established in the Commissions' Regulations that could be attributed to the emitting source.

The owner or operator of the facility experiencing excess emissions during a malfunction shall notify the division verbally as soon as possible, but no later than noon of the Division's next working day, and shall submit written notification following the initial occurrence of the excess emissions by the end of the source's next reporting period. The notification shall address the criteria set forth above.

The Affirmative Defense Provision contained in this section shall not be available to claims for injunctive relief.

The Affirmative Defense Provision does not apply to failures to meet federally promulgated performance standards or emission limits, including, but not limited to, new source performance standards and national emission standards for hazardous air pollutants. The affirmative defense provision does not apply to state implementation plan (sip) limits or permit limits that have been set taking into account potential emissions during malfunctions, including, but not necessarily limited to, certain limits with 30-day or longer averaging times, limits that indicate they apply during malfunctions, and limits that indicate they apply at all times or without exception.

e. Circumvention Clause

A person shall not build, erect, install, or use any article, machine, equipment, condition, or any contrivance, the use of which, without resulting in a reduction in the total release of air pollutants to the atmosphere, reduces or conceals an emission which would otherwise constitute a violation of this regulation. No person shall circumvent this regulation by using more openings than is considered normal practice by the industry or activity in question.

f. Compliance Certifications

For the purpose of submitting compliance certifications or establishing whether or not a person has violated or is in violation of any standard in the Colorado State Implementation Plan, nothing in the Colorado State Implementation Plan shall preclude the use, including the exclusive use, of any credible evidence or information, relevant to whether a source would have been in compliance with applicable requirements if the appropriate performance or compliance test or procedure had been performed. Evidence that has the effect of making any relevant standard or permit term more stringent shall not be credible for proving a violation of the standard or permit term.

When compliance or non-compliance is demonstrated by a test or procedure provided by permit or other applicable requirement, the owner or operator shall be presumed to be in compliance or non-compliance unless other relevant credible evidence overcomes that presumption.

g. Affirmative Defense Provision for Excess Emissions During Startup and Shutdown

An affirmative defense is provided to owners and operators for civil penalty actions for excess emissions during periods of startup and shutdown. To establish the affirmative defense and to be relieved of a civil penalty in any action to enforce an applicable requirement, the owner or operator of the facility must meet the notification requirements below in a timely manner and prove by a preponderance of the evidence that:

- (i) The periods of excess emissions that occurred during startup and shutdown were short and infrequent and could not have been prevented through careful planning and design;
- (ii) The excess emissions were not part of a recurring pattern indicative of inadequate design, operation or maintenance:
- (iii) If the excess emissions were caused by a bypass (an intentional diversion of control equipment), then the bypass was unavoidable to prevent loss of life, personal injury, or severe property damage;
- (iv) The frequency and duration of operation in startup and shutdown periods were minimized to the maximum extent practicable;
- (v) All possible steps were taken to minimize the impact of excess emissions on ambient air quality;
- (vi) All emissions monitoring systems were kept in operation (if at all possible);
- (vii) The owner or operator's actions during the period of excess emissions were documented by properly signed, contemporaneous operating logs or other relevant evidence; and,
- (viii) At all times, the facility was operated in a manner consistent with good practices for minimizing emissions. This subparagraph is intended solely to be a factor in determining whether an affirmative defense is available to an owner or operator, and shall not constitute an additional applicable requirement.

The owner or operator of the facility experiencing excess emissions during startup and shutdown shall notify the Division verbally as soon as possible, but no later than two (2) hours after the start of the next working day, and shall submit written quarterly notification following the initial occurrence of the excess emissions. The notification shall address the criteria set forth above.

The Affirmative Defense Provision contained in this section shall not be available to claims for injunctive relief.

The Affirmative Defense Provision does not apply to State Implementation Plan provisions or other requirements that derive from new source performance standards or national emissions standards for hazardous air pollutants, or any other federally enforceable performance standard or emission limit with an averaging time greater than twenty-four hours. In addition, an affirmative defense cannot be used by a single source or small group of sources where the excess emissions have the potential to cause an exceedance of the ambient air quality standards or Prevention of Significant Deterioration (PSD) increments.

In making any determination whether a source established an affirmative defense, the Division shall consider the information within the notification required above and any other information the Division deems necessary, which may include, but is not limited to, physical inspection of the facility and review of documentation pertaining to the maintenance and operation of process and air pollution control equipment.

4. Compliance Requirements

Regulation No. 3, 5 CCR 1001-5, Part C, §\$ III.C.9., V.C.11. & 16.d. and § 25-7-122.1(2), C.R.S.

- a. The permittee must comply with all conditions of the Operating Permit. Any permit noncompliance relating to federally-enforceable terms or conditions constitutes a violation of the federal act, as well as the state act and Regulation No. 3. Any permit noncompliance relating to state-only terms or conditions constitutes a violation of the state act and Regulation No. 3, shall be enforceable pursuant to state law, and shall not be enforceable by citizens under § 304 of the federal act. Any such violation of the federal act, the state act or regulations implementing either statute is grounds for enforcement action, for permit termination, revocation and reissuance or modification or for denial of a permit renewal application.
- b. It shall not be a defense for a permittee in an enforcement action or a consideration in favor of a permittee in a permit termination, revocation or modification action or action denying a permit renewal application that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of the permit.
- c. The permit may be modified, revoked, reopened, and reissued, or terminated for cause. The filing of any request by the permittee for a permit modification, revocation and reissuance, or termination, or any notification of planned changes or anticipated noncompliance does not stay any permit condition, except as provided in §§ X. and XI. of Regulation No. 3, Part C.
- d. The permittee shall furnish to the Air Pollution Control Division, within a reasonable time as specified by the Division, any information that the Division may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating the permit or to determine compliance with the permit. Upon request, the permittee shall also furnish to the Division copies of records required to be kept by the permittee, including information claimed to be confidential. Any information subject to a claim of confidentiality shall be specifically identified and submitted separately from information not subject to the claim.
- e. Any schedule for compliance for applicable requirements with which the source is not in compliance at the time of permit issuance shall be supplemental, and shall not sanction noncompliance with, the applicable requirements on which it is based.
- f. For any compliance schedule for applicable requirements with which the source is not in compliance at the time of permit issuance, the permittee shall submit, at least every 6 months unless a more frequent period is specified in the applicable requirement or by the Air Pollution Control Division, progress reports which contain the following:
 - (i) dates for achieving the activities, milestones, or compliance required in the schedule for compliance, and dates when such activities, milestones, or compliance were achieved; and
 - (ii) an explanation of why any dates in the schedule of compliance were not or will not be met, and any preventive or corrective measures adopted.

g. The permittee shall not knowingly falsify, tamper with, or render inaccurate any monitoring device or method required to be maintained or followed under the terms and conditions of the Operating Permit.

5. Emergency Provisions

Regulation No. 3, 5 CCR 1001-5, Part C, § VII.E

An emergency means any situation arising from sudden and reasonably unforeseeable events beyond the control of the source, including acts of god, which situation requires immediate corrective action to restore normal operation, and that causes the source to exceed the technology-based emission limitation under the permit due to unavoidable increases in emissions attributable to the emergency. "Emergency" does not include noncompliance to the extent caused by improperly designed equipment, lack of preventative maintenance, careless or improper operation, or operator error. An emergency constitutes an affirmative defense to an enforcement action brought for noncompliance with a technology-based emission limitation if the permittee demonstrates, through properly signed, contemporaneous operating logs, or other relevant evidence that:

- a. an emergency occurred and that the permittee can identify the cause(s) of the emergency;
- b. the permitted facility was at the time being properly operated;
- c. during the period of the emergency the permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards, or other requirements in the permit; and
- d. the permittee submitted oral notice of the emergency to the Air Pollution Control Division no later than noon of the next working day following the emergency, and followed by written notice within one month of the time when emissions limitations were exceeded due to the emergency. This notice must contain a description of the emergency, any steps taken to mitigate emissions, and corrective actions taken.

This emergency provision is in addition to any emergency or malfunction provision contained in any applicable requirement.

6. Emission Controls for Asbestos

Regulation No. 8, 5 CCR 1001-10, Part B

The permittee shall not conduct any asbestos abatement activities except in accordance with the provisions of Regulation No. 8, Part B, "asbestos control."

7. Emissions Trading, Marketable Permits, Economic Incentives

Regulation No. 3, 5 CCR 1001-5, Part C, § V.C.13.

No permit revision shall be required under any approved economic incentives, marketable permits, emissions trading and other similar programs or processes for changes that are specifically provided for in the permit.

8. Fee Payment

C.R.S §§ 25-7-114.1(6) and 25-7-114.7

- a. The permittee shall pay an annual emissions fee in accordance with the provisions of C.R.S. § 25-7-114.7. A 1% per month late payment fee shall be assessed against any invoice amounts not paid in full on the 91st day after the date of invoice, unless a permittee has filed a timely protest to the invoice amount.
- b. The permittee shall pay a permit processing fee in accordance with the provisions of C.R.S. § 25-7-114.7. If the Division estimates that processing of the permit will take more than 30 hours, it will notify the permittee of its estimate of what the actual charges may be prior to commencing any work exceeding the 30 hour limit.

c. The permittee shall pay an APEN fee in accordance with the provisions of C.R.S. § 25-7-114.1(6) for each APEN or revised APEN filed.

9. Fugitive Particulate Emissions

Regulation No. 1, 5 CCR 1001-3, § III.D.1.

The permittee shall employ such control measures and operating procedures as are necessary to minimize fugitive particulate emissions into the atmosphere, in accordance with the provisions of Regulation No. 1, § III.D.1.

10. Inspection and Entry

Regulation No. 3, 5 CCR 1001-5, Part C, § V.C.16.b.

Upon presentation of credentials and other documents as may be required by law, the permittee shall allow the Air Pollution Control Division, or any authorized representative, to perform the following:

- a. enter upon the permittee's premises where an Operating Permit source is located, or emissions-related activity is conducted, or where records must be kept under the terms of the permit;
- b. have access to, and copy, at reasonable times, any records that must be kept under the conditions of the permit;
- c. inspect at reasonable times any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under the Operating Permit;
- d. sample or monitor at reasonable times, for the purposes of assuring compliance with the Operating Permit or applicable requirements, any substances or parameters.

11. Minor Permit Modifications

Regulation No. 3, 5 CCR 1001-5, Part C, §§ X. & XI.

The permittee shall submit an application for a minor permit modification before making the change requested in the application. The permit shield shall not extend to minor permit modifications.

12. New Source Review

Regulation No. 3, 5 CCR 1001-5, Part B

The permittee shall not commence construction or modification of a source required to be reviewed under the New Source Review provisions of Regulation No. 3, Part B, without first receiving a construction permit.

13. No Property Rights Conveyed

Regulation No. 3, 5 CCR 1001-5, Part C, § V.C.11.d.

This permit does not convey any property rights of any sort, or any exclusive privilege.

14. Odor

Regulation No. 2, 5 CCR 1001-4, Part A

As a matter of state law only, the permittee shall comply with the provisions of Regulation No. 2 concerning odorous emissions.

15. Off-Permit Changes to the Source

Regulation No. 3, 5 CCR 1001-5, Part C, § XII.B.

The permittee shall record any off-permit change to the source that causes the emissions of a regulated pollutant subject to an applicable requirement, but not otherwise regulated under the permit, and the emissions resulting from the change, including any other data necessary to show compliance with applicable ambient air quality standards. The permittee shall provide contemporaneous notification to the Air Pollution Control Division and to the Environmental Protection Agency at the addresses listed in Appendix D of this Permit. The permit shield shall not apply to any off-permit change.

16. Opacity

Regulation No. 1, 5 CCR 1001-3, §§ I., II.

The permittee shall comply with the opacity emissions limitation set forth in Regulation No. 1, §§ I.- II.

17. Open Burning

Regulation No. 9, 5 CCR 1001-11

The permittee shall obtain a permit from the Division for any regulated open burning activities in accordance with provisions of Regulation No. 9.

18. Ozone Depleting Compounds

Regulation No. 15, 5 CCR 1001-17

The permittee shall comply with the provisions of Regulation No. 15 concerning emissions of ozone depleting compounds. Sections I., II.C., II.D., III. IV., and V. of Regulation No. 15 shall be enforced as a matter of state law only.

19. Permit Expiration and Renewal

Regulation No. 3, 5 CCR 1001-5, Part C, §§ III.B.6., IV.C., V.C.2.

- a. The permit term shall be five (5) years. The permit shall expire at the end of its term. Permit expiration terminates the permittee's right to operate unless a timely and complete renewal application is submitted.
- b. Applications for renewal shall be submitted at least twelve months, but not more than 18 months, prior to the expiration of the Operating Permit. An application for permit renewal may address only those portions of the permit that require revision, supplementing, or deletion, incorporating the remaining permit terms by reference from the previous permit. A copy of any materials incorporated by reference must be included with the application.

20. Portable Sources

Regulation No. 3, 5 CCR 1001-5, Part C, § II.D.

Portable Source permittees shall notify the Air Pollution Control Division at least 10 days in advance of each change in location.

21. Prompt Deviation Reporting

Regulation No. 3, 5 CCR 1001-5, Part C, § V.C.7.b.

The permittee shall promptly report any deviation from permit requirements, including those attributable to malfunction conditions as defined in the permit, the probable cause of such deviations, and any corrective actions or preventive measures taken.

"Prompt" is defined as follows:

- a. Any definition of "prompt" or a specific timeframe for reporting deviations provided in an underlying applicable requirement as identified in this permit; or
- b. Where the underlying applicable requirement fails to address the time frame for reporting deviations, reports of deviations will be submitted based on the following schedule:
 - (i) For emissions of a hazardous air pollutant or a toxic air pollutant (as identified in the applicable regulation) that continue for more than an hour in excess of permit requirements, the report shall be made within 24 hours of the occurrence;
 - (ii) For emissions of any regulated air pollutant, excluding a hazardous air pollutant or a toxic air pollutant that continue for more than two hours in excess of permit requirements, the report shall be made within 48 hours; and
 - (iii) For all other deviations from permit requirements, the report shall be submitted every six (6) months, except as otherwise specified by the Division in the permit in accordance with paragraph 22.d. below.
- c. If any of the conditions in paragraphs b.i or b.ii above are met, the source shall notify the Division by telephone (303-692-3155) or facsimile (303-782-0278) based on the timetables listed above. [Explanatory note: Notification by telephone or facsimile must specify that this notification is a deviation report for an Operating Permit.] A written notice, certified consistent with General Condition 2.a. above (Certification Requirements), shall be submitted within 10 working days of the occurrence. All deviations reported under this section shall also be identified in the 6-month report required above.

"Prompt reporting" does not constitute an exception to the requirements of "Emergency Provisions" for the purpose of avoiding enforcement actions.

22. Record Keeping and Reporting Requirements

Regulation No. 3, 5 CCR 1001-5, Part A, § II.; Part C, §§ V.C.6., V.C.7.

- a. Unless otherwise provided in the source specific conditions of this Operating Permit, the permittee shall maintain compliance monitoring records that include the following information:
 - (i) date, place as defined in the Operating Permit, and time of sampling or measurements;
 - (ii) date(s) on which analyses were performed;
 - (iii) the company or entity that performed the analysis;
 - (iv) the analytical techniques or methods used;
 - (v) the results of such analysis; and
 - (vi) the operating conditions at the time of sampling or measurement.
- b. The permittee shall retain records of all required monitoring data and support information for a period of at least five (5) years from the date of the monitoring sample, measurement, report or application. Support information, for this purpose, includes all calibration and maintenance records and all original strip-chart recordings for continuous monitoring instrumentation, and copies of all reports required by the Operating Permit. With prior approval of the Air Pollution Control Division, the permittee may maintain any of the above records in a computerized form.
- c. Permittees must retain records of all required monitoring data and support information for the most recent twelve (12) month period, as well as compliance certifications for the past five (5) years on-site at all times. A permittee shall make available for the Air Pollution Control Division's review all other records of required monitoring data and support information required to be retained by the permittee upon 48 hours advance notice by the Division.

- d. The permittee shall submit to the Air Pollution Control Division all reports of any required monitoring at least every six (6) months, unless an applicable requirement, the compliance assurance monitoring rule, or the Division requires submission on a more frequent basis. All instances of deviations from any permit requirements must be clearly identified in such reports.
- The permittee shall file an Air Pollutant Emissions Notice ("APEN") prior to constructing, modifying, or altering e. any facility, process, activity which constitutes a stationary source from which air pollutants are or are to be emitted, unless such source is exempt from the APEN filing requirements of Regulation No. 3, Part A, § II.D. A revised APEN shall be filed annually whenever a significant change in emissions, as defined in Regulation No. 3, Part A, § II.C.2., occurs; whenever there is a change in owner or operator of any facility, process, or activity; whenever new control equipment is installed; whenever a different type of control equipment replaces an existing type of control equipment; whenever a permit limitation must be modified; or before the APEN expires. An APEN is valid for a period of five years. The five-year period recommences when a revised APEN is received by the Air Pollution Control Division. Revised APENs shall be submitted no later than 30 days before the five-year term expires. Permittees submitting revised APENs to inform the Division of a change in actual emission rates must do so by April 30 of the following year. Where a permit revision is required, the revised APEN must be filed along with a request for permit revision. APENs for changes in control equipment must be submitted before the change occurs. Annual fees are based on the most recent APEN on file with the Division.

23. **Reopenings for Cause**

Regulation No. 3, 5 CCR 1001-5, Part C, § XIII.

- The Air Pollution Control Division shall reopen, revise, and reissue Operating Permits; permit reopenings and reissuance shall be processed using the procedures set forth in Regulation No. 3, Part C, § III., except that proceedings to reopen and reissue permits affect only those parts of the permit for which cause to reopen exists.
- b. The Division shall reopen a permit whenever additional applicable requirements become applicable to a major source with a remaining permit term of three or more years, unless the effective date of the requirements is later than the date on which the permit expires, or unless a general permit is obtained to address the new requirements; whenever additional requirements (including excess emissions requirements) become applicable to an affected source under the acid rain program; whenever the Division determines the permit contains a material mistake or that inaccurate statements were made in establishing the emissions standards or other terms or conditions of the permit; or whenever the Division determines that the permit must be revised or revoked to assure compliance with an applicable requirement.
- The Division shall provide 30 days' advance notice to the permittee of its intent to reopen the permit, except that a c. shorter notice may be provided in the case of an emergency.
- d. The permit shield shall extend to those parts of the permit that have been changed pursuant to the reopening and reissuance procedure.

24. Section 502(b)(10) Changes

Regulation No. 3, 5 CCR 1001-5, Part C, § XII.A.

The permittee shall provide a minimum 7-day advance notification to the Air Pollution Control Division and to the Environmental Protection Agency at the addresses listed in Appendix D of this Permit. The permittee shall attach a copy of each such notice given to its Operating Permit.

Issued: September 1, 2009

25. Severability Clause

Regulation No. 3, 5 CCR 1001-5, Part C, § V.C.10.

In the event of a challenge to any portion of the permit, all emissions limits, specific and general conditions, monitoring, record keeping and reporting requirements of the permit, except those being challenged, remain valid and enforceable.

26. Significant Permit Modifications

Regulation No. 3, 5 CCR 1001-5, Part C, § III.B.2.

The permittee shall not make a significant modification required to be reviewed under Regulation No. 3, Part B ("Construction Permit" requirements) without first receiving a construction permit. The permittee shall submit a complete Operating Permit application or application for an Operating Permit revision for any new or modified source within twelve months of commencing operation, to the address listed in Item 1 in Appendix D of this permit. If the permittee chooses to use the "Combined Construction/Operating Permit" application procedures of Regulation No. 3, Part C, then the Operating Permit must be received prior to commencing construction of the new or modified source.

27. Special Provisions Concerning the Acid Rain Program

Regulation No. 3, 5 CCR 1001-5, Part C, §§ V.C.1.b. & 8

- a. Where an applicable requirement of the federal act is more stringent than an applicable requirement of regulations promulgated under Title IV of the federal act, 40 Code of Federal Regulations (CFR) Part 72, both provisions shall be incorporated into the permit and shall be federally enforceable.
- b. Emissions exceeding any allowances that the source lawfully holds under Title IV of the federal act or the regulations promulgated thereunder, 40 CFR Part 72, are expressly prohibited.

28. Transfer or Assignment of Ownership

Regulation No. 3, 5 CCR 1001-5, Part C, § II.C.

No transfer or assignment of ownership of the Operating Permit source will be effective unless the prospective owner or operator applies to the Air Pollution Control Division on Division-supplied Administrative Permit Amendment forms, for reissuance of the existing Operating Permit. No administrative permit shall be complete until a written agreement containing a specific date for transfer of permit, responsibility, coverage, and liability between the permittee and the prospective owner or operator has been submitted to the Division.

29. Volatile Organic Compounds

Regulation No. 7, 5 CCR 1001-9, §§ III & V.

The requirements in paragraphs a, b and e apply to sources located in an ozone non-attainment area or the Denver 1-hour ozone attainment/maintenance area. The requirements in paragraphs c and d apply statewide.

a. All storage tank gauging devices, anti-rotation devices, accesses, seals, hatches, roof drainage systems, support structures, and pressure relief valves shall be maintained and operated to prevent detectable vapor loss except when opened, actuated, or used for necessary and proper activities (e.g. maintenance). Such opening, actuation, or use shall be limited so as to minimize vapor loss.

Detectable vapor loss shall be determined visually, by touch, by presence of odor, or using a portable hydrocarbon analyzer. When an analyzer is used, detectable vapor loss means a VOC concentration exceeding 10,000 ppm. Testing shall be conducted as in Regulation No. 7, Section VIII.C.3.

b. Except when otherwise provided by Regulation No. 7, all volatile organic compounds, excluding petroleum liquids, transferred to any tank, container, or vehicle compartment with a capacity exceeding 212 liters (56 gallons), shall be

transferred using submerged or bottom filling equipment. For top loading, the fill tube shall reach within six inches of the bottom of the tank compartment. For bottom-fill operations, the inlet shall be flush with the tank bottom.

- c. The permittee shall not dispose of volatile organic compounds by evaporation or spillage unless Reasonably Available Control Technology (RACT) is utilized.
- d. No owner or operator of a bulk gasoline terminal, bulk gasoline plant, or gasoline dispensing facility as defined in Colorado Regulation No. 7, Section VI, shall permit gasoline to be intentionally spilled, discarded in sewers, stored in open containers, or disposed of in any other manner that would result in evaporation.
- e. Beer production and associated beer container storage and transfer operations involving volatile organic compounds with a true vapor pressure of less than 1.5 PSIA actual conditions are exempt from the provisions of paragraph b, above.

30. Wood Stoves and Wood burning Appliances

Regulation No. 4, 5 CCR 1001-6

The permittee shall comply with the provisions of Regulation No. 4 concerning the advertisement, sale, installation, and use of wood stoves and wood burning appliances.

Operating Permit 03OPGA267

OPERATING PERMIT APPENDICES

- A INSPECTION INFORMATION
- **B MONITORING AND PERMIT DEVIATION REPORT**
- C COMPLIANCE CERTIFICATION REPORT
- D NOTIFICATION ADDRESSES
- E PERMIT ACRONYMS
- F PERMIT MODIFICATIONS
- G COMPLIANCE ASSURANCE MONITORING PLAN

*DISCLAIMER:

None of the information found in these Appendices shall be considered to be State or Federally enforceable, except as otherwise provided in the permit, and is presented to assist the source, permitting authority, inspectors, and citizens.

APPENDIX A

Inspection Information

Directions to Plant:

From I-70, take exit 90; turn south on Colorado Highway 13, travel 0.16 miles.

Turn east onto CR-346, travel ~ 2.0 miles.

Turn south onto CR-352, travel ~ 1.7 miles.

Veer south onto CR-319 (W. Mamm Creek Road), travel ~ 3.5 miles.

Turn east onto gravel road, travel ~ 0.5 miles.

Veer southeast, travel ~ 0.5 miles.

Turn south, travel ~ 0.7 miles to the water treatment facility entrance.

Safety Equipment Required:

Eye Protection, Hard Hat, Hearing Protection, steel-toed shoes, and Fire Retardant Clothing.

Facility Plot Plan:

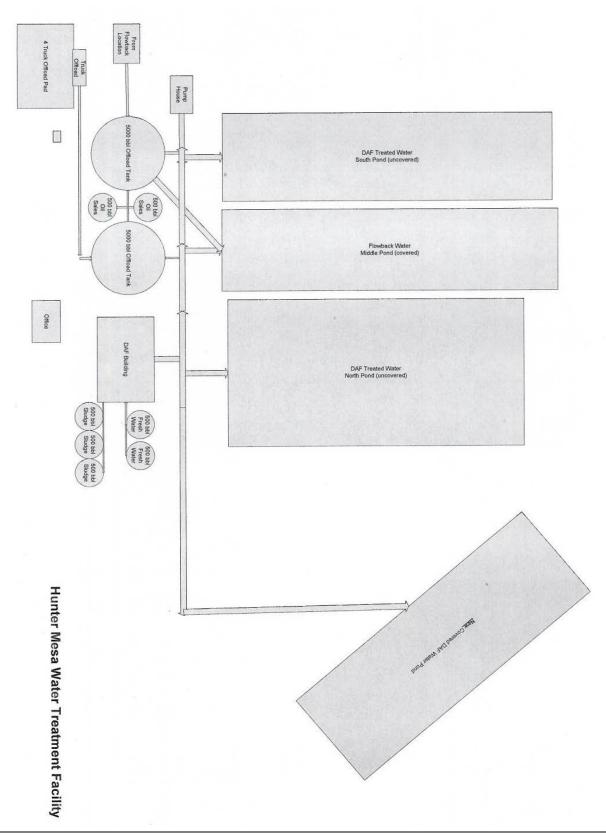
Figure 1 (following page) shows the plot plan as submitted on February 16, 2012.

List of Insignificant Activities:

The following list of insignificant activities was provided by the source to assist in the understanding of the facility layout. Since there is no requirement to update such a list, activities may have changed since the last filing. Insignificant activities and/or sources of emissions as submitted in the application are as follows:

- One (1) 100 gal emulsion breaker tank
- ~200 gal oil/water separator
- Dew point monitor vent
- Three (3) 500 bbl sludge tank
- Two (2) 5000 bbl produced water tanks
- One (1) Dissolved Air Floatation (DAF) unit

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APPENDIX B

Reporting Requirements and Definitions

with codes ver 2/20/07

Please note that, pursuant to 113(c)(2) of the federal Clean Air Act, any person who knowingly:

- (A) makes any false material statement, representation, or certification in, or omits material information from, or knowingly alters, conceals, or fails to file or maintain any notice, application, record, report, plan, or other document required pursuant to the Act to be either filed or maintained (whether with respect to the requirements imposed by the Administrator or by a State);
- (B) fails to notify or report as required under the Act; or
- (C) falsifies, tampers with, renders inaccurate, or fails to install any monitoring device or method required to be maintained or followed under the Act shall, upon conviction, be punished by a fine pursuant to title 18 of the United States Code, or by imprisonment for not more than 2 years, or both. If a conviction of any person under this paragraph is for a violation committed after a first conviction of such person under this paragraph, the maximum punishment shall be doubled with respect to both the fine and imprisonment.

The permittee must comply with all conditions of this operating permit. Any permit noncompliance constitutes a violation of the Act and is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or for denial of a permit renewal application.

The Part 70 Operating Permit program requires three types of reports to be filed for all permits. All required reports must be certified by a responsible official.

Report #1: Monitoring Deviation Report (due at least every six months)

For purposes of this operating permit, the Division is requiring that the monitoring reports are due every six months unless otherwise noted in the permit. All instances of deviations from permit monitoring requirements must be clearly identified in such reports.

For purposes of this operating permit, monitoring means any condition determined by observation, by data from any monitoring protocol, or by any other monitoring which is required by the permit as well as the recordkeeping associated with that monitoring. This would include, for example, fuel use or process rate monitoring, fuel analyses, and operational or control device parameter monitoring.

Report #2: Permit Deviation Report (must be reported "promptly")

In addition to the monitoring requirements set forth in the permits as discussed above, each and every requirement of the permit is subject to deviation reporting. The reports must address deviations from permit requirements, including those attributable to malfunctions as defined in this Appendix, the probable cause of

such deviations, and any corrective actions or preventive measures taken. All deviations from any term or condition of the permit are required to be summarized or referenced in the annual compliance certification.

For purposes of this operating permit, "malfunction" shall refer to both emergency conditions and malfunctions. Additional discussion on these conditions is provided later in this Appendix.

For purposes of this operating permit, the Division is requiring that the permit deviation reports are due as set forth in General Condition 21. Where the underlying applicable requirement contains a definition of prompt or otherwise specifies a time frame for reporting deviations, that definition or time frame shall govern. For example, quarterly Excess Emission Reports required by an NSPS or Regulation No. 1, Section IV.

In addition to the monitoring deviations discussed above, included in the meaning of deviation for the purposes of this operating permit are any of the following:

- (1) A situation where emissions exceed an emission limitation or standard contained in the permit;
- (2) A situation where process or control device parameter values demonstrate that an emission limitation or standard contained in the permit has not been met;
- (3) A situation in which observations or data collected demonstrates noncompliance with an emission limitation or standard or any work practice or operating condition required by the permit; or,
- (4) A situation in which an excursion or exceedance as defined in 40CFR Part 64 (the Compliance Assurance Monitoring (CAM) Rule) has occurred. (only if the emission point is subject to CAM)

For reporting purposes, the Division has combined the Monitoring Deviation Report with the Permit Deviation Report. All deviations shall be reported using the following codes:

1 = Standard: When the requirement is an emission limit or standard 2 = Process: When the requirement is a production/process limit

3 = Monitor: When the requirement is monitoring 4 = Test: When the requirement is testing

5 = Maintenance: When required maintenance is not performed
 6 = Record: When the requirement is recordkeeping
 7 = Report: When the requirement is reporting

8 = CAM: A situation in which an excursion or exceedance as defined in 40CFR Part 64 (the

Compliance Assurance Monitoring (CAM) Rule) has occurred.

9 = Other: When the deviation is not covered by any of the above categories

Report #3: Compliance Certification (annually, as defined in the permit)

Submission of compliance certifications with terms and conditions in the permit, including emission limitations, standards, or work practices, is required not less than annually.

Compliance Certifications are intended to state the compliance status of each requirement of the permit over the certification period. They must be based, at a minimum, on the testing and monitoring methods specified in the permit that were conducted during the relevant time period. In addition, if the owner or operator knows of other material information (i.e. information beyond required monitoring that has been specifically assessed in relation to how the information potentially affects compliance status), that information must be identified and addressed in the compliance certification. The compliance certification must include the following:

- The identification of each term or condition of the permit that is the basis of the certification;
- Whether or not the method(s) used by the owner or operator for determining the compliance status with each permit term and condition during the certification period was the method(s) specified in the permit. Such methods and other means shall include, at a minimum, the methods and means required in the permit. If necessary, the owner or operator also shall identify any other material information that must be included in the certification to comply with section 113(c)(2) of the Federal Clean Air Act, which prohibits knowingly making a false certification or omitting material information;
- The status of compliance with the terms and conditions of the permit, and whether compliance was continuous or intermittent. The certification shall identify each deviation and take it into account in the compliance certification. Note that not all deviations are considered violations.¹
- Such other facts as the Division may require, consistent with the applicable requirements to which the source is subject, to determine the compliance status of the source.

The Certification shall also identify as possible exceptions to compliance any periods during which compliance is required and in which an excursion or exceedance as defined under 40 CFR Part 64 (the Compliance Assurance Monitoring (CAM) Rule) has occurred. (only for emission points subject to CAM)

Note the requirement that the certification shall identify each deviation and take it into account in the compliance certification. Previously submitted deviation reports, including the deviation report submitted at the time of the annual certification, may be referenced in the compliance certification.

For example, given the various emissions limitations and monitoring requirements to which a source may be subject, a deviation from one requirement may not be a deviation under another requirement which recognizes an exception and/or special circumstances relating to that same event.

Startup, Shutdown, Malfunctions and Emergencies,

Understanding the application of Startup, Shutdown, Malfunctions and Emergency Provisions, is very important in both the deviation reports and the annual compliance certifications.

Startup, Shutdown, and Malfunctions

Please note that exceedances of some New Source Performance Standards (NSPS) and Maximum Achievable Control Technology (MACT) standards that occur during Startup, Shutdown or Malfunctions may not be considered to be non-compliance since emission limits or standards often do not apply unless specifically stated in the NSPS. Such exceedances must, however, be reported as excess emissions per the NSPS/MACT rules and would still be noted in the deviation report. In regard to compliance certifications, the permittee should be confident of the information related to those deviations when making compliance determinations since they are subject to Division review. The concepts of Startup, Shutdown and Malfunctions also exist for Best Available Control Technology (BACT) sources, but are not applied in the same fashion as for NSPS and MACT sources.

Emergency Provisions

Under the Emergency provisions of Part 70 certain operational conditions may act as an affirmative defense against enforcement action if they are properly reported.

DEFINITIONS

Malfunction (NSPS) means any sudden, infrequent, and not reasonably preventable failure of air pollution control equipment, process equipment, or a process to operate in a normal or usual manner. Failures that are caused in part by poor maintenance or careless operation are not malfunctions.

Malfunction (SIP) means any sudden and unavoidable failure of air pollution control equipment or process equipment or unintended failure of a process to operate in a normal or usual manner. Failures that are primarily caused by poor maintenance, careless operation, or any other preventable upset condition or preventable equipment breakdown shall not be considered malfunctions.

Emergency means any situation arising from sudden and reasonably unforeseeable events beyond the control of the source, including acts of God, which situation requires immediate corrective action to restore normal operation, and that causes the source to exceed a technology-based emission limitation under the permit, due to unavoidable increases in emissions attributable to the emergency. An emergency shall not include noncompliance to the extent caused by improperly designed equipment, lack of preventative maintenance, careless or improper operation, or operator error.

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APPENDIX B: Monitoring and Permit Deviation Report - Part I

- Following is the **required** format for the Monitoring and Permit Deviation report to be submitted to the 1. Division as set forth in General Condition 21. The Table below must be completed for all equipment or processes for which specific Operating Permit terms exist.
- Part II of this Appendix B shows the format and information the Division will require for describing 2. periods of monitoring and permit deviations, or malfunction or emergency conditions as indicated in the Table below. One Part II Form must be completed for each Deviation. Previously submitted reports (e.g. EER's or malfunctions) may be referenced and the form need not be filled out in its entirety.

FACILITY NAME: Encana Gathering Services ()	USA), Inc. – Hunter Mesa Water Treatment Facility
OPERATING PERMIT NO: 03OPGA267	
REPORTING PERIOD:	(see first page of the permit for specific reporting period and
dates)	

		Deviation During P		Deviation Code	Malfunction Condition During	Reported
Facility ID	Unit Description	YES	NO		YES	NO
FG01	Fugitive emissions of VOCs from equipment leaks.					
S012	Water Treatment and Recycling Facility, including DAF					
TK05-TK06	Condensate storage tank battery: Two Natco 500-BBL					
General Conditions						
Insignificant Activities						

¹ See previous discussion regarding what is considered to be a deviation. Determination of whether or not a deviation has occurred shall be based on a reasonable inquiry using readily available information.

1 = Standard: When the requirement is an emission limit or standard When the requirement is a production/process limit 2 = Process:

When the requirement is monitoring 3 = Monitor: **4** = Test: When the requirement is testing

When required maintenance is not performed **5** = Maintenance: When the requirement is recordkeeping 6 = Record:7 = Report:When the requirement is reporting

8 = CAM: A situation in which an excursion or exceedance as defined in 40CFR Part 64 (the

Compliance Assurance Monitoring (CAM) Rule) has occurred.

9 = Other: When the deviation is not covered by any of the above categories

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² Use the following entries, as appropriate

APPENDIX B: Monitoring and Permit Deviation Report - Part II

OPERATING PERMIT NO: 03OPGA267 REPORTING PERIOD:	vices (USA), Inc. – I	Hunter Mesa Water	Treatment Facility
Is the deviation being claimed as an:	Emergency	Malfunction	N/A
(For NSPS/MACT) Did the deviation occur during:	Startup	Shutdown	Malfunction
	Normal Operation		
OPERATING PERMIT UNIT IDENTIFICATION:			
Operating Permit Condition Number Citation			
Explanation of Period of Deviation			
<u>Duration (start/stop date & time)</u>			
Action Taken to Correct the Problem			
Measures Taken to Prevent a Reoccurrence of the Pr	<u>oblem</u>		
Dates of Malfunctions/Emergencies Reported (if app	<u>plicable)</u>		
Deviation Code	Division Code QA:		

EXAMPLE

FACILITY NAME: OPERATING PERMIT NO: REPORTING PERIOD:					
Is the deviation being claimed	d as an:	Emergency	Malfunction _	XX	N/A
(For NSPS/MACT) Did the d	leviation occur during:	Startup Normal Operation		-	ction
OPERATING PERMIT UNI	Γ IDENTIFICATION:				
Asphalt Plant with a Scrubber	r for Particulate Contro	l - Unit XXX			
Operating Permit Condition N	Number Citation				
Section II, Condition 3.1 - Op	pacity Limitation				
Explanation of Period of Dev	<u>iation</u>				
Slurry Line Feed Plugged					
<u>Duration</u>					
START- 1730 4/10/06 END- 1800 4/10/06					
Action Taken to Correct the I	<u>Problem</u>				
Line Blown Out					
Measures Taken to Prevent R	eoccurrence of the Pro	<u>blem</u>			
Replaced Line Filter					
Dates of Malfunction/Emerge	encies Reported (if appl	licable)			
5/30/06 to A. Einstein, APCD)				
Deviation Code		Division Code QA:			

APPENDIX B: Monitoring and Permit Deviation Report - Part III

REPORT CERTIFICATION

SOURCE NAME: Encana Gathering	s Services (USA), Inc. – Hunter Me	· · · · · · · · · · · · · · · · · · ·
FACILITY IDENTIFICATION NUM	MBER: 0450367	
PERMIT NUMBER: 03OPGA267		
REPORTING PERIOD:	(see first page of the permi	t for specific reporting period and dates)
	. 3, Part A, Section I.B.38. This	be certified by a responsible official as signed certification document must be
STATEMENT OF COMPLETEN	ESS	
	·	and, based on information and belief nformation contained in this submittal
Discourants dischalls Coloneda Cada		
1-501(6), C.R.S., makes any false i guilty of a misdemeanor and may	material statement, representatio	nowingly, as defined in Sub-Section 18- on, or certification in this document is th the provisions of Sub-Section 25-7
1-501(6), C.R.S., makes any false i guilty of a misdemeanor and may	material statement, representation with the punished in accordance with the punished with the punish	on, or certification in this document is
1-501(6), C.R.S., makes any false regulty of a misdemeanor and may 122.1, C.R.S. Printed or Typed Name	material statement, representation with the punished in accordance with the punished with the punish	on, or certification in this document is th the provisions of Sub-Section 25-7

FACILITY NAME:

APPENDIX C

Required Format for Annual Compliance Certification Reports

Following is the format for the Compliance Certification report to be submitted to the Division and the U.S. EPA annually based on the effective date of the permit. The Table below must be completed for all equipment or processes for which specific Operating Permit terms exist.

Encana Gathering Services (USA), Inc. – Hunter Mesa Water Treatment Facility

	PERATING PERMIT NO: 03OPGA267 PPORTING PERIOD:
I.	Facility Status
	During the entire reporting period, this source was in compliance with ALL terms and conditions contained the Permit, each term and condition of which is identified and included by this reference. The method(s) and to determine compliance is/are the method(s) specified in the Permit.
witinc.	With the possible exception of the deviations identified in the table below, this source was in compliance the all terms and conditions contained in the Permit, each term and condition of which is identified and luded by this reference, during the entire reporting period. The method used to determine compliance for the term and condition is the method specified in the Permit, unless otherwise indicated and described in the

deviation report(s). Note that not all deviations are considered violations.

Facility ID	Unit Description	Deviations Reported ¹		Monitoring Method per Permit? ²		Was compliance continuous or intermittent? ³	
		Previous	Current	YES	NO	Continuous	Intermittent
FG01	Fugitive emissions of VOCs from equipment leaks.						
S012	Water treatment and recycling facility. North and South Impoundments for DAF processed water.						
	Water treatment and recycling facility. Middle Impoundment for flowback water.						
TK05-TK06	Condensate storage tank battery: Two Natco 500-BBL						
General Conditions							
Insignificant Activities ⁴							

¹ If deviations were noted in a previous deviation report, put an "X" under "previous". If deviations were noted in the current deviation report (i.e. for the last six months of the annual reporting period), put an "X" under "current". Mark both columns if both apply.

² Note whether the method(s) used to determine the compliance status with each term and condition was the method(s) specified in the permit. If it was not, mark "no" and attach additional information/explanation.

NOTE:

The Periodic Monitoring requirements of the Operating Permit program rule are intended to provide assurance that even in the absence of a continuous system of monitoring the Title V source can demonstrate whether it has operated in continuous compliance for the duration of the reporting period. Therefore, if a source 1) conducts all of the monitoring and recordkeeping required in its permit, even if such activities are done periodically and not continuously, and if 2) such monitoring and recordkeeping does not indicate non-compliance, and if 3) the Responsible Official is not aware of any credible evidence that indicates non-compliance, then the Responsible Official can certify that the emission point(s) in question were in continuous compliance during the applicable time period.

³ Note whether the compliance status with of each term and condition provided was continuous or intermittent. "Intermittent Compliance" can mean either that noncompliance has occurred or that the owner or operator has data sufficient to certify compliance only on an intermittent basis. Certification of intermittent compliance therefore does not necessarily mean that any noncompliance has occurred.

⁴ Compliance status for these sources shall be based on a reasonable inquiry using readily available information.

II.	Status	for Acc	idental Release	Prevention Pro	ogram:								
	A.		acility e Prevention Pr							ions of	f the A	Accide	ental
	B.	If subjected requires	ect: The facility ements of section	on 112(r).	_ is	is	not	in	complia	ance	with	all	the
III.	Certifi	1.		gement Plan thority and/or t									the
Colora	do Reg	ulation	e Annual Comp No. 3, Part A, submitted.										
reason	able in		is certification I certify that tete.		•								
C.R.S.	, make	s any fa	Colorado Stat alse material s ay be punished	tatement, repr	esentatio	ı, or certi	ficatio	on in	this do	cume	nt is g		
		Printed	l or Typed Nan	ne						Title	;		
		Si	ignature]	Date S	igned		

NOTE: All compliance certifications shall be submitted to the Air Pollution Control Division and to the Environmental Protection Agency at the addresses listed in Appendix D of this Permit.

APPENDIX D

Notification Addresses

1. **Air Pollution Control Division**

Colorado Department of Public Health and Environment Air Pollution Control Division Operating Permits Unit APCD-SS-B1 4300 Cherry Creek Drive S. Denver, CO 80246-1530

ATTN: Matt Burgett

2. United States Environmental Protection Agency

Compliance Notifications:

Office of Enforcement, Compliance and Environmental Justice Mail Code 8ENF-T U.S. Environmental Protection Agency, Region VIII 1595 Wynkoop Street Denver, CO 80202-1129

Permit Modifications, Off Permit Changes:

Office of Partnerships and Regulatory Assistance Air and Radiation Programs, 8P-AR U.S. Environmental Protection Agency, Region VIII 1595 Wynkoop Street Denver, CO 80202-1129

APPENDIX E

Permit Acronyms

Listed Alphabetically:

AIRS -	Aerometric Information Retrieval System
AP-42 -	EPA Document Compiling Air Pollutant Emission Factors
APEN -	Air Pollution Emission Notice (State of Colorado)
APCD -	Air Pollution Control Division (State of Colorado)
ASTM -	American Society for Testing and Materials
BACT -	Best Available Control Technology
BTU -	British Thermal Unit
CAA -	Clean Air Act (CAAA = Clean Air Act Amendments)
CCR -	Colorado Code of Regulations

CEM - Continuous Emissions Monitor CF - Cubic Feet (SCF = Standard Cubic Feet)

CFR - Code of Federal Regulations

CO - Carbon Monoxide

COM - Continuous Opacity Monitor CRS - Colorado Revised Statute DRO - Diesel Range Organics

EF - Emission Factor

EPA - Environmental Protection Agency FI - Environmental Protection Agency Fuel Input Rate in Lbs/mmBtu

FR - Federal Register

G - Grams Gal - Gallon

GPM - Gallons per Minute
GRO - Gasoline Range Organics
HAPs - Hazardous Air Pollutants

HP - Horsepower

HP-HR - Horsepower Hour (G/HP-HR = Grams per Horsepower Hour)

LAER - Lowest Achievable Emission Rate

LBS - Pounds
M - Thousand
MM - Million

MMscf - Million Standard Cubic Feet

MMscfd - Million Standard Cubic Feet per Day

N/A or NA - Not Applicable NOx - Nitrogen Oxides

NESHAP - National Emission Standards for Hazardous Air Pollutants

NSPS - New Source Performance Standards P - Process Weight Rate in Tons/Hr

PE - Particulate Emissions

DM	Donti aulata Mattan
PM -	Particulate Matter

PM₁₀ - Particulate Matter Under 10 Microns PSD - Prevention of Significant Deterioration

PTE - Potential To Emit

RACT - Reasonably Available Control Technology

SCC - Source Classification Code

SCF - Standard Cubic Feet

SIC - Standard Industrial Classification

SO₂ - Sulfur Dioxide

TPH - Total Petroleum Hydrocarbons

TPY - Tons Per Year

TSP - Total Suspended Particulate VOC - Volatile Organic Compounds

APPENDIX F

Permit Modifications

DATE OF REVISION	SECTION NUMBER, CONDITION NUMBER	DESCRIPTION OF REVISION
May 4, 2012	Throughout	Removed compressor station equipment, now owned by Grand River Gathering, LLC and permitted under 12OPGA363
	Section II, Condition 2.1	Increased capacity for the third DAF impoundment to 200,000 bbl and adjusted the emission limitation in accordance with the RACT analysis.

APPENDIX G

Compliance Assurance Monitoring Plan

I. Background

a. <u>Emission Unit Description:</u>

Water treatment and recycling facility

b. <u>Applicable Regulation, Emission Limit, Monitoring Requirements:</u>

Regulations: Operating Permit Section II, Conditions 7.5 and 8

Emission Limitations: VOC 207.3 tons/year

c. <u>Control Technology:</u>

DAF Unit

II. Monitoring Approach

	Indicator No. 1			
I. Indicator	Gas Pressure			
Measurement Approach				
	Pressure indicator and monitor; air pressure shall be recorded continuously.			
II. Indicator Range	Indicator range is a pressure between 80 and 150 psi.			
	Excursions trigger the permittee to investigate the pressure indicator and monitor performance and make any repairs or adjustments necessary. Any adjustments or repairs shall be recorded in a log, to be made available to the Division upon request.			
III. Performance Criteria				
a. Data Representativeness	N/A			
b. Verification of Operational Status	Pressure reading within indicated range.			
c. QA/QC Practices/Criteria	Calibration annually.			
d. Monitoring Frequency	Verify pressure continuously.			
f. Data Collection Procedures	N/A			
e. Averaging Time	N/A			